FIRST PACIFIC

FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Press Release

FIRST-HALF 2019 UNAUDITED FINANCIAL RESULTS

TURNOVER UP 6% TO US$4.09 BLN
CONTRIBUTION FROM CORE BUSINESSES UP 3% AT US$208.6 MLN
CONTRIBUTION FROM OPERATIONS DOWN 8% AT US$197.0 MLN
RECURRING PROFIT DOWN 12% AT US$142.0 MLN
NET LOSS US$148.3 MLN ON NON-RECURRING WRITE-DOWN
INTERIM DISTRIBUTION AT 6.5 HK CENTS/SHARE
INTERIM DISTRIBUTION AT 25.5% OF RECURRING PROFIT
10th SUCCESSIVE YEAR OF 25% DISTRIBUTION TO SHAREHOLDERS

Hong Kong, 27th August, 2019 – First Pacific Company Limited (HKSE: 00142) ("First Pacific" or the "Company") today reported its unaudited financial results for the half-year ended 30th June 2019, showing a net loss as earnings were weighed down by a non-recurring and non-cash investment write-down of US$280 million. It was the Company's first reported loss in nearly two decades.

Turnover at First Pacific rose 6% to US$4.09 billion from US$3.84 billion on surging revenue growth at PT Indofood Sukses Makmur Tbk ("Indofood") and Metro Pacific Investments Corporation ("MPIC"). The Company's core holdings of Indofood, MPIC and PLDT Inc. ("PLDT") saw their contribution increase 3% to US$208.6 million even as overall contribution from all operations declined 8% to US$197.0 million.

First Pacific is a Hong Kong-based investment management and holding company focused on the markets of emerging Asia and is a major or controlling shareholder in the Philippines' leading telecommunications and infrastructure companies, and in Indonesia's biggest vertically-integrated food company as well as in other investments. Indofood is the biggest food company in Indonesia. PLDT is the Philippines' largest telecommunications company. MPIC is the biggest infrastructure investment firm in the Philippines with controlling stakes in the country's largest water, toll road and electricity distribution companies.

"Indofood's superb performance is a clear signal of its prospects going forward. Its sales are up 7% and core profit up 22%. PLDT has seen data revenues explode with growth of 19% in the first half in a trend we see continuing for some time to come, while MPIC continues to stack up ever-higher volumes across all its major businesses," said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific.

First Pacific's Board of Directors approved an interim distribution to shareholders of 6.50 HK cents (U.S. 0.83 cent), representing a payout ratio of approximately 25.5% of recurring profit, in-line with the Company's policy since 2010 of distributing at least 25% of recurring profit to shareholders. The 2018 interim distribution of 8.00 HK cents (U.S. 1.03 cents) represented a payout ratio of approximately 28%.

"We consider it prudent at this time to level the interim distribution at 6.5 HK cents per share while anticipating no change in cash terms in the full-year distribution of 13.5 HK cents per share," Pangilinan said.

"We fully expect to continue our full-year dividend policy of distributing a minimum of 25% of recurring profit to our shareholders as our core investments continue growing strongly," he said. "We are simply bringing balance between recurring profit and distribution to shareholders over the course of the two reporting periods of our fiscal year."

First Pacific's total contribution from operations declined 8% to US$197.0 million from US$213.8 million on lower contributions from non-core businesses driven largely by adverse market conditions. Recurring profit fell 12% to US$142.0 million from US$161.0 million.

The Company recorded a net loss of US$148.3 million compared with a profit of US$133.8 million in the year-earlier period largely as a result of a non-recurring write-down of US$280.0 million in the value of First Pacific's investment in Goodman Fielder Pty Limited, an Australasian food producer.

In March 2019 the Company agreed to sell its 50% interest in FPW Singapore Holdings Pte. Ltd. ("FPW," owner of 100% of Goodman Fielder) to Wilmar International Limited, owner of the other half of the joint venture vehicle. The transaction is expected to complete before year-end with First Pacific receiving sale proceeds of US$275.0 million upon completion. The Company will receive a further contingent receivable of US$25.0 million payable in 2021 if a 2020 earnings target is met and an additional US$25.0 million earn-out payment if a higher 2020 earnings threshold is reached.

First Pacific plans to direct the bulk of the Goodman Fielder sales proceeds towards repayment of a US$251.9 million 6.375% bond maturing in September 2020.

The Company's basic earnings per share fell to a loss of 3.42 U.S. cents (26.7 HK cents) in the first half of 2019 from 3.09 U.S. cents (24.1 HK cents) per share a year earlier. Recurring basic earnings per share (based on recurring profit) declined 12% to U.S. 3.27 cents (25.5 HK cents) from U.S. 3.72 cents (29.0 HK cents).

Indofood saw the greatest increase in contribution, to US$80.3 million from US$70.3 million on strong growth in its packaged food CBP business and its Bogasari flour and pasta operations. It was followed by MPIC with a 1% rise in contribution to US$70.0 million from US$69.1 million on strong volume growth in its electricity, toll road and water businesses. A higher interest bill held back growth in its contribution.

PLDT's contribution fell 7% to US$58.3 million from US$62.7 million on lower realized gain on the sale of shares in Rocket Internet SE, and higher depreciation and financing costs, partly offset by higher wireless service revenues and lower cash operating expenses.

The contribution from non-core holdings including Goodman Fielder, Philex Mining Corporation ("Philex") and others fell to a negative US$11.6 million from US$11.7 million positive contribution a year earlier.

Following contributions from operating companies to First Pacific's earnings, Head Office costs including corporate overheads, net interest expense and other expenses increased 4% to US$55.0

million from US$52.8 million. First Pacific recorded foreign exchange gains of US$6.9 million versus a loss of US$5.4 million in the same period of 2018 – a swing of US$12.3 million.

Non-cash, non-recurring losses in First Pacific's half-year earnings rose to US$297.6 million from US$21.7 million a year earlier, consisting mainly of the Group's impairment provision for investment in Goodman Fielder (US$280.0 million) and other items.

At 30th June 2019, gross debt at the Head Office stood at US$1.65 billion following the redemption of a US$215 million, seven-year 6.0% bond and its replacement by lower-cost bank borrowings under the Company's program to strengthen its balance sheet in part via reducing borrowing costs and extending maturities.

This exercise reduced First Pacific's blended interest cost to 4.5% and extended the average maturity of its debt to 3.7 years. Fixed-rate debt made up 53% of the total, with floating-rate debt making up the remaining 47%. Proceeds from the sale of First Pacific's investment in FPW, the Goodman Fielder holding vehicle, will be earmarked for debt reduction, beginning with a US$251.9 million 6.375% bond maturing in September 2020. Redemption of this bond and other debt reduction initiatives are aimed at cutting First Pacific's gross debt and slashing its interest expenses.

Among First Pacific's other investments, the gold and copper mining company Philex announced the completion of a definitive feasibility study for its Silangan Project in Mindanao in the Philippines. It plans to raise $750 million to finance this new mine, sourced from project finance and a new equity partner buying into the project. The Silangan Project is expected to transform Philex's prospects going forward after it reported core income fell to a loss of ₱19 million in the first half compared with a core profit of ₱646 million a year earlier mainly due to lower metal production arising from lower ore grades.

OUTLOOK

"Following from our renewed focus on core businesses, I am pleased to report that all three are doing well and promise to keep delivering earnings growth in the years ahead," Pangilinan said.

"We expect to close the sale of our stake in Goodman Fielder by year-end and will use the proceeds to finance repayment of our most expensive borrowing. A smaller debt balance with a lower average borrowing cost will strengthen our balance sheet and our cash flow," he said. "We remain committed to further improving returns and continue to review our portfolio of investments with this goal in mind. Divestment of non-core assets will enable us to contemplate further debt reduction and share repurchases with the expected consequence of a lower discount to net asset value and a higher share price.

"This is our shared goal," Pangilinan said.

Further details of earnings by First Pacific's core investments follow.

REVIEW OF OPERATIONS

Indofood reported a 22% increase in core income in the first half to IDR2.42 trillion driven by a 7% increase in revenues to IDR38.6 trillion. By business: CBP sales rose 12% to IDR21.9 trillion, driven by Noodles and Food Seasonings; Bogasari sales rose 16% to IDR11.6 trillion on higher average selling prices; Agribusiness sales fell 2% to IDR6.42 trillion on continuing weakness in soft commodity prices; and Distribution sales fell 30% to IDR2.08 trillion.

Further information on Indofood's results can be found here.

PLDT reported flat telco core income in the first half at ₱13.2 billion on a 5% increase in service revenues to ₱80.4 billion and EBITDA up 20% to ₱39.7 billion owing mainly to surging revenues in the Individual business segment as mobile data traffic doubled from a year earlier. Core income growth was restrained by higher non-cash expenses, net financing costs and tax provisions offsetting the higher EBITDA. However, PLDT forecast full-year telco core profit of ₱26.4 billion, up 10% from a year earlier, as several years of heavy capital expenditure have built a cellular and fixed-line networks unrivalled in customer experience, according to independent analyses.

More details on PLDT's earnings are available here.

MPIC reported a 5% increase in contribution from its operating companies in the first half to ₱11.17 billion vs. ₱10.62 billion led by Power, Water and Toll Roads. Core income growth was held to 1% to ₱8.67 billion vs. ₱8.60 billion on a 35% increase in MPIC's interest bill to ₱1.97 billion vs. ₱1.46 billion in the year earlier period. To ensure continuing earnings growth, MPIC plans to raise funds to strengthen its balance sheet and finance new investments with a partial sale of its Hospitals business as early as the second half of 2019.

Further information on MPIC's financial performance is available on its website.

Further information and analysis
Attached to this news release are:

- First Pacific's condensed consolidated income statement
- Condensed consolidated statement of financial position
- Contribution and profit summary

More details about the earnings of First Pacific and of its operating companies can be found on www.firstpacific.com under the Investor Relations and Financials tabs.

Corporate Profile
First Pacific is a Hong Kong-based investment management and holding company with operations located in Asia-Pacific. The Company's principal businesses are in consumer food products, infrastructure, natural resources and telecommunications. First Pacific is listed in Hong Kong (HKSE: 00142) and its shares are also available in the United States through American Depositary Receipts (ADR code: FPAFY). For further information, visit www.firstpacific.com.

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CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	2019 US$m	2018 US$m
Turnover	**4,091.2**	3,844.9
Cost of sales	**(2,861.2)**	(2,725.3)
Gross profit	**1,230.0**	1,119.6
Selling and distribution expenses	**(305.2)**	(291.5)
Administrative expenses	**(337.7)**	(288.3)
Other operating expenses, net	**(259.5)**	(16.9)
Interest income	**39.4**	29.1
Finance costs	**(236.4)**	(195.4)
Share of profits less losses of associated companies and joint ventures	**166.8**	189.0
Profit before taxation	**297.4**	545.6
Taxation	**(167.2)**	(136.7)
Profit for the period	**130.2**	408.9
Attributable to:		
Owners of the parent	**(148.3)**	133.8
Non-controlling interests	**278.5**	275.1
	130.2	408.9
	US¢	US¢
(Loss)/earnings per share attributable to owners of the parent		
Basic	**(3.42)**	3.09
Diluted	**(3.42)**	3.08

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2019 (Unaudited) US$m	At 31 December 2018 (Audited) US$m
Non-current assets		
Property, plant and equipment	**5,394.8**	5,157.4
Biological assets	**23.4**	22.7
Associated companies and joint ventures	**4,496.9**	4,877.3
Goodwill	**1,123.0**	1,111.5
Other intangible assets	**4,636.7**	4,182.5
Investment properties	**12.7**	9.5
Accounts receivable, other receivables and prepayments	**33.6**	16.2
Financial assets at fair value through other comprehensive income	**360.0**	319.4
Deferred tax assets	**211.8**	195.4
Other non-current assets	**765.4**	749.1
	17,058.3	16,641.0
Current assets		
Cash and cash equivalents and short-term deposits	**1,664.0**	1,630.8
Restricted cash	**136.1**	103.2
Financial assets at fair value through other comprehensive income	**193.2**	289.6
Accounts receivable, other receivables and prepayments	**1,140.0**	1,133.9
Inventories	**966.4**	942.0
Biological assets	**41.1**	36.1
	4,140.8	4,135.6
Assets classified as held for sale	**383.3**	124.9
	4,524.1	4,260.5
Current liabilities		
Accounts payable, other payables and accruals	**1,578.1**	1,362.6
Short-term borrowings	**1,759.5**	2,281.1
Provision for taxation	**92.7**	57.3
Current portion of deferred liabilities, provisions and payables	**401.2**	419.8
	3,831.5	4,120.8
Liabilities directly associated with the assets classified as held for sale	**20.0**	19.5
	3,851.5	4,140.3
Net current assets	**672.6**	120.2
Total assets less current liabilities	**17,730.9**	16,761.2
Equity		
Issued share capital	**43.4**	43.4
Shares held for share award scheme	**(1.2)**	(4.9)
Retained earnings	**1,466.3**	1,582.1
Other components of equity	**1,484.8**	1,463.0
Equity attributable to owners of the parent	**2,993.3**	3,083.6
Non-controlling interests	**6,007.5**	5,626.8
Total equity	**9,000.8**	8,710.4
Non-current liabilities		
Long-term borrowings	**6,870.8**	6,236.8
Deferred liabilities, provisions and payables	**1,518.9**	1,488.9
Deferred tax liabilities	**340.4**	325.1
	8,730.1	8,050.8
	17,730.9	16,761.2

CONTRIBUTION AND PROFIT SUMMARY

	Turnover		Contribution to Group profit[i]	
For the six months ended 30 June US$ millions	**2019**	2018	**2019**	2018
Indofood	**2,716.9**	2,596.8	**80.3**	70.3
PLDT[ii]	**-**	-	**58.3**	62.7
MPIC	**858.6**	767.7	**70.0**	69.1
FPW[iii]	**-**	-	**0.7**	10.3
Philex[ii]	**-**	-	**(1.2)**	4.1
FPM Power	**364.0**	347.8	**(7.1)**	(3.4)
FP Natural Resources	**151.7**	132.6	**(4.0)**	0.7
Contribution from operations[iv]	**4,091.2**	3,844.9	**197.0**	213.8
Head Office items:				
- Corporate overhead			**(11.2)**	(12.1)
- Net interest expense			**(40.0)**	(38.0)
- Other expenses			**(3.8)**	(2.7)
Recurring profit[v]			**142.0**	161.0
Foreign exchange and derivative gains/(losses), net[vi]			**6.9**	(5.4)
Gain/(loss) on changes in fair value of biological assets			**0.4**	(0.1)
Non-recurring items[vii]			**(297.6)**	(21.7)
(Loss)/profit attributable to owners of the parent			**(148.3)**	133.8

(i) After taxation and non-controlling interests, where appropriate.
(ii) Associated companies.
(iii) Joint venture.
(iv) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
(v) Recurring profit represents the (loss)/profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/(losses), gain/(loss) on changes in fair value of biological assets and non-recurring items.
(vi) Foreign exchange and derivative gains/(losses), net represent the net gains/(losses) on foreign exchange translation differences on the Group's unhedged foreign currency denominated net assets/liabilities and the changes in the fair values of derivatives.
(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H19's non-recurring losses of US$297.6 million mainly represent the Group's impairment provisions for assets, including the Group's investment in Goodman Fielder (US$280.0 million) and Philex's mining assets (US$5.2 million). 1H18's non-recurring losses of US$21.7 million mainly represent PLDT's non-core accelerated depreciation for its wireless network assets (US$12.3 million) and Head Office's bond tender and debt refinancing costs (US$10.7 million).